THE DECLARATION AND YIELD OF STOCKHOLDERS' RIGHTS

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Everyone is aware of the great expansion of America's leading railroad and industrial properties within the last fifteen years. During this time, much has been published concerning the unparalleled increase in mileage, earnings and profits, but few persons have definite knowledge of the exact return to a stockholder who has held capital stock for any length of time in these corporations. It will be the purpose of this article to show what would have been the yield to the stockholder who bought his shares at any given period in the open market.

A "right" is a privilege issued by a corporation to its stockholders to subscribe to its stock and occasionally to its bonds, at a price below the market quotation. This is what is meant when "rights" or "warrants" are referred to in our financial journals. But this is by no means the only benefit extended by corporations to their stockholders, since where stock is issued "free" or in the form of a dividend, an even greater distribution is made. In such instances it is the company itself that pays the par value of the stock from its accumulated profits, and the issue amounts substantially to the capitalization of a previously earned surplus. Where the surplus is not as large as the dividend declared, the company is usually capitalizing its future earnings. For example, at the close of the fiscal year of 1904, the Atlantic Coast Line Railroad Company had a surplus of approximately $13,500,000. In December, 1904, an extra dividend of twenty-five per cent (twenty per cent in stock and five per cent in four per cent certificates of the Atlantic Coast Line Company of Connecticut) was declared, reducing this surplus to about $4,500,000. Clearly, this was merely giving the stockholders what had been withheld from them in previous years. On the other hand, in December, 1868, the New York Central and Hudson River Railroad Company, with a capital

stock of $28,500,000 and a surplus of only $5,000,000, distributed to its stockholders gratis eighty per cent of their holdings, and again, in November, 1869, made another gift of twenty-seven per cent. At this period of its history, the earning capacity of the New York Central Railroad Company was enormous, and it was able to pay dividends even upon this increase of stock. But as this distribution was made on the basis of its earnings, and not from an accumulated surplus, it was purely "water" and it has only been within the last fifteen years that the company's earnings, which have been turned back into the property, have been sufficient to change this capitalization from its status of "water" to that of real capital.

That the method of raising capital and of distributing profits through the issue of new stock to its stockholders has been a very common practice is shown by the following table for a few of the many corporations which might be mentioned.

Name of Company	No. of times "Rights" were issued	Owner of 100 Shares in 1880 would have at present		
American Telephone and Telegraph Co.	3	200	Common	
Baltimore and Ohio R. R. Co.	4	209.3	"	
Canadian Pacific Ry. Co.	5	269.57	"	
Chicago, Milwaukee and St. Paul Ry. Co.	5	253.69	"	and 101.48 pfd.
Cleveland, Cincinnati, Chicago and St. Louis Ry. Co.	2	132	"	
Great Northern Ry. Co.	8	693	pfd. and 495 ore certificates	
Illinois Central R. R. Co.	8	363.32	Common	
New York Central and Hudson River R. R. Co.	5	245.2	"	
Pennsylvania R. R. Co.	9	384.76	"	
Northern Central Ry. Co.	3	225	"	
United Gas Improvement Co.	8	559.65	"	

In the foregoing table the first column gives the name of the company, the second states the number of times rights were issued since 1880, and the third shows the number of shares now held by an original holder of 100 shares who took advantage of all rights offered. Thus the American Telephone and Telegraph Company has doubled its outstanding stock; the Great Northern Railway Company has seven times as much preferred stock, not even taking

into account the enormous amount of ore certificates given to the stockholders, while the United Gas Improvement Company has nearly six times as much capital as it had in 1896.

The term "right" has a very different meaning on the New York Stock Exchange from that given on the Philadelphia Exchange. In the former city, a "right" means the privilege of one share to participate in the new issue. Thus an increase of twenty-five per cent in the capital stock gives each share of old stock the privilege to subscribe to one-quarter of a share of new stock, and it takes four old shares to purchase one new one. In New York, therefore, the holder of 100 shares owns 100 rights, which give him the option to buy twenty-five shares of new stock. In Philadelphia, however, a right means the privilege to subscribe to one share of new stock. Consequently, in the case of an increase of twenty-five per cent in the capital stock, the holder of 100 shares of old stock owns twenty-five rights, which give him the option to buy twenty-five shares of the new issue. On that basis, rights are quoted at four times as much in Philadelphia as they are in New York. To take the last instance, where rights or warrants were sold in both markets, namely, in the last issue of the Pennsylvania Railroad Company, the price of the rights in New York was $8 per $100 share, or really only $4 per $50 share. However, in Philadelphia the quotation was $16 per $50 share, or exactly four times the price in New York.

As is done when a dividend is declared, the books of the corporation are closed when rights are issued, and all those whose names appear as stockholders upon the registry books of the company on the designated day are entitled to subscribe to the increased stock. Up to that day, the old stock sells with the subscription privilege attached and the stock is said to sell "rights on." On the day the books are closed, the privilege is no longer open to the stockholders, but only to the holder of the rights or warrants that are issued by the company to its stockholders of record. On that day the stock and rights sell separately and the stock is said to sell "ex-rights."

It is very seldom that a corporation demands the entire payment for a new issue at once. Generally it is spread over a long period of time, giving the holder a greater chance to procure the

money necessary to pay for the new stock. In March, 1906, the Atlantic Coast Line Railroad Company increased its capital by issuing ten per cent in common stock at par, payment to be made in two equal instalments: one on or before May 10, 1906; the other on or before September 10, 1906. In lieu of the interest on the instalments, the stockholders were entitled to the full dividend declared in November, 1906. In another case, the Great Northern Railway Company, in 1907, spread the payments for the new stock over a period of a year and a half and allowed interest upon each instalment.

On the basis that all the stock offered is taken and added to the original holdings, the profit of the stockholder will vary as the price of the security fluctuates in the market. These changes in price are at times violent, and as will be shown later, have a marked effect upon the net profits of the stockholder. For this reason, to compute the returns fairly, quotations should be taken for a normal season—for last year, we may justly say around November 21, 1909.

But another element enters into the question upon the same hypothesis, that all the offerings of new stock have been taken by the stockholder. The dividend return upon the stock issued is usually at variance with the current rate for money and the difference between the two rates will be credited to the rights offered by the company. Suppose the holder of 100 shares of a seven per cent stock is offered the privilege of purchasing fifty new shares at par. To do this, he borrows money at the current rate of five per cent and adds the new stock to his original holdings. However, the company maintains the dividend at seven per cent, and the difference of two per cent or $100 is equivalent to an increased dividend of one per cent on the first purchase of 100 shares. This one per cent, plus the seven per cent regular dividend, makes the real cash return eight per cent on the original 100 shares. If the person had not owned the original stock and thus secured the rights offered by the company, he could not have invested his money at any such rate, and it is only fair that the increased yield should be credited to the first purchase. Similarly, if the rate were only three per cent, instead of seven per cent, the difference would be a loss and would be a decrease upon the return of the original 100

shares. Therefore upon an analysis of the return to a stockholder from rights over a given period of time, it will be found to include three subdivisions:

1. The value of the new stock at the market quotation, less the amount of the subscription price.

2. The fluctuation in the price of the original purchase.

3. The cash yield.

The method of permitting subscriptions to new stock at a price below the market quotations and of continuing the former dividend upon the entire amount issued, is an excellent plan for the distribution of large earnings to a corporation's stockholders. When a company desires to make permanent improvements, it can issue a long term bond at a rate below that paid by most standard stocks. This difference would go to swell the surplus earnings of the company and would eventually lead to a higher rate of dividend upon its stock capitalization. Instead the rate is kept comparatively low and the increased earnings are also divided. But it is not to be supposed that the benefits accrue only to the common stockholders. Indeed it is safe to say that the results are shared pretty generally by every security holder of the corporation. The presence of a large number of stock authorizations to-day point significantly to the fact that those companies are on the whole compelled by necessity to adopt this mode of raising capital. Money is dear, bond issues are difficult to float, and the average investor is unwilling to put any more money into construction, unless a little larger return, speculative though it may be in character, is apparent to him. Whenever such a state of affairs is general in the country, we have the corporations and particularly the railroads applying to their stockholders for aid. Such a flotation of securities immensely strengthens the safety of the bonds already issued. Dividends are not fixed charges and a road cannot be forced into a receivership because the rate must be lowered or abandoned during periods of business depression; whereas if bonds had been issued and the coupons not paid, the penalty would have been inflicted. Thus in every way the security and stability of the company is strengthened by the increase of stock for the purposes of refunding or construction.

The method of computing the value of rights is comparatively

simple. Let us take the last issue of new stock by the Pennsylvania Railroad Company, where the stockholders were allowed to subscribe to twenty-five per cent of their holdings at par. The common stock was at that time selling at $71.00 per share.

100 shares at $71.00 per share	$7,100	
25 shares at $50.00 per share	1,250	
Total cost of 125 shares		$8,350
Average cost of one share		$66.80

Deducting $66.80, the average cost per share from $71.00, the market quotation for the old stock, leaves $4.20 as the value of the right on each share of Pennsylvania Railroad stock. In New York, however, Pennsylvania shares sell on a percentage basis and the price of the right on the exchange was consequently doubled. As a matter of fact, the rights sold the next day for $8.25. The price of rights is usually a little below the ascertained value, due to the element of time, interest and arbitrage.

This leads us to a very interesting practice. Many holders, being unable to pay the amount called for by the terms of the subscription, sell their rights to arbitrageurs. These arbitrageurs, immediately upon the purchase of these rights, sell an equivalent amount of full-paid stock, and after having paid the specified instalments, they make good their delivery with these new shares. Reverting again to our illustration of the Pennsylvania Railroad Company, suppose an arbitrageur bought 100 rights at $4.00 per right with the intention of paying the subscription price. This would give him twenty-five shares of new stock, costing in all $1,650, or $66 per share. However, when he bought the rights he sold "short" twenty-five shares of Pennsylvania in the open market at $66.50 per share. From now on his profits are practically assured him and he will make fifty cents per share, less the amount of the ordinary expenses.

The greatest benefits from rights have been derived where the holder has held his stock for a considerable length of time and taken every subscription offered. If he sell his rights in the open market, when the next issue is made, he can only receive the fixed percentage upon his original holdings and thereby loses the real profit. It is needless to say that any increase of capitalization

is based upon the total last issue and so, if the holder takes every subscription privilege that is offered, he will continually get rights upon rights. Take the Great Northern Railway Company for example. This road has made eight capital increases since 1893. If the holder of an original 100 shares had sold each right as it was offered, he would have parted with the privileges to 240 more shares of the preferred stock, together with 100 ore certificates. But, by holding the stock, and taking the rights upon rights, he would own to-day 693 shares and 495 ore certificates. This can be shown as follows:

Original purchase in 1893	100	shares
25 per cent increase in 1893	25	"
Total shares in 1893	125	"
100 per cent increase in 1898	125	"
Total shares in 1898	250	"
20 per cent increase in 1899	50	"
Total shares in 1899	300	"
10 per cent increase in 1900	30	"
Total shares in 1900	330	"
25 per cent increase in 1901	82.5	"
Total shares in 1901	412.5	"
20 per cent increase in 1905	82.5	"
Total shares in 1905	495	"
100 per cent ore certificates in 1906	495	ore certificates
Total holdings in 1906	495	shares
and 495 ore certificates.		
40 per cent increase in 1907	198	"
Total holdings in 1907	693	shares
and 495 ore certificates.		

In addition to the greater increase in the amount of stock procured, in a railroad like the Great Northern, the subsequent rise in price of the stock made those new shares worth more than when issued. Of course this condition may be reversed and the stockholder may suffer considerably by the subsequent decline in the market value of the security. This is typified in many instances, particularly where the stock was bought during the boom times of 1902 and 1906, as shown in the following table:

Company	Date	Price then	Price Nov. 21, '09
American Telephone & Telegraph Co.	1902	180	144
Atlantic Coast Line R. R. Co.	1906	164	137.5
Great Northern Ry. Co.	1905	314	142
New York Central & Hudson River R. R. Co.	1902	160	135
Pennsylvania R. R. Co.	1901	80	66

The only two important instances, where the stock suffered a loss from every right issued are the Missouri Pacific Railway Company and the Cleveland, Cincinnati, Chicago and St. Louis Railway Company. These examples are indeed striking since not only is the original purchase of 100 shares below the price paid, but also the new issues secured through "rights" are selling considerably below the subscription value.

The tables appended hereafter are all computed on the same plan and for purposes of explanation, the Baltimore and Ohio Railroad Company will serve as an example.

In the table on page 80, the first column is for the date of the issue of rights, and opposite in the column headed "Quantity" is given the amount of the authorized increase of the new stock, together with the price at which the stock was issued. Straight across on the same line is the amount of stock held in the year marked at the top of that column. Thus, in 1900, the purchaser would have had $116^2/_3$ shares (100 shares original purchase plus $16^2/_3$ per cent increase); in 1901—140 shares ($116^2/_3$ shares plus 20 per cent increase); in 1902—182 shares (140 shares plus 30 per cent increase), and in 1906—209.3 shares (182 shares plus 15 per cent increase). Now, if instead of buying his first holding of 100 shares of stock in 1900, he had purchased it in 1901, he would have missed the first privilege and consequently by the end of 1906, he would own fewer shares than if he had bought in 1900. To find the amount of stock held on any date, on the supposition that he purchased his 100 shares at a period after the rights of April, 1900, were issued and before the rights of December, 1901, appeared, look across the line marked December, 1901. At that time 120 shares were held (100 shares plus 20 per cent increase), in 1902—156 shares; and in 1906—179.4 shares. The same method can be adopted for any date of issue.

BALTIMORE & OHIO R. R. CO. PAR $100. PRICE, NOVEMBER 21, 1909—$116.50.

Date.	Quantity.	1900.	1901.	1902.	1906.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
Apr., 1900.	16⅔%@80...	116⅔	140	182	209.3	$89½	$19,546	$24,383	$4,837	4.387	4.591	8.978	10.031
Dec., 1901.	20%@par.	......	120	156	179.4	102	18,140	20,900	2,760	2.89	4.784	7.674	7.523
Oct., 1902.	30%@ Par.....	....	......	130	149.5	110	15,950	17,417	1,467	1.802	4.913	6.715	6.105
Apr., 1906.	15%@Par.....	....	......	......	115	108¼	12,325	13,398	1,073	3.404	5.933	9.337	8.625

The column headed "Price" contains the price the purchaser would have had to pay in the open market for the original stock, the day before it sold "ex-rights". Thus for the Baltimore and Ohio Railroad Company, in 1900, a share of common stock would have cost $89.50; in 1901—$102; in 1902—$110, and in 1906—$108.25.

The total cost of the stock is obtained by adding the cost of the original 100 shares of stock (as found in the "Price" column) to the total amount paid for the subscriptions; whereas the "Value" is found by multiplying the amount of the securities held by the market value. In the case of the Baltimore and Ohio Railroad Company, the original purchase of 100 shares at $89.50 per share amounts to $8,950.00. The rights entitle the holder to 109.3 more shares at a total cost of $10,596.00. This additional cost of $10,596.00 plus the original purchase price of $8,950.00 equals $19,546.00, the amount in the "Cost" column. The "Value" of the stock is $24,383.00 (209.3 shares at the market price of November 21, 1909, of $116.50 per share). The "Gain" or "Loss" is the difference between "Cost" and "Value." That amount, as has been pointed out before, will vary greatly with the market value of the securities. Baltimore and Ohio, as stated above, was taken at $116.50 per share, but suppose the panic price of 1907 of $75.50 had been taken. The decrease of $41.00 a share would not only have wiped out the gain, but also would have left a substantial loss. It is, therefore, absolutely necessary to adopt a normal period of prices.

This gain or loss must now be viewed as the amount of an annual dividend or assessment. Here it is necessary to adopt an arbitrary rate of interest extending over the entire period during which the stock was owned, and for this purpose a fair rate of five per cent has been assumed. This rate has been the average for long-term money on good security.

The gain on Baltimore and Ohio from 1900 to November 21, 1909, on the original 100 shares was $4,837.00. Spreading this $4,837.00 over the time the shares were owned, nine years, the annuity, with the interest at five per cent, is equal to 4.387 per cent a year upon the par value of the stock. In the meantime the average dividend rate paid in cash for the nine years was 4.591

per cent. This cash dividend of 4.591 per cent plus the 4.387 per cent gained through subscriptions and market appreciation equals 8.978 per cent on the value of the original stock purchased in 1900. But it must be remembered that the stock cost only $89.50, whereas the total return of 8.978 per cent was based on par, so that the net yield on the purchase price of $89.50 is 10.031 per cent. In 1901 the stock cost $102.00, the total return on par is 7.674 per cent, and the net yield on $102.00 is 7.523 per cent. The same process is followed for each date, and the result can always be found in the column headed "Net Yield on Cost Per cent."

The method of finding the average dividend rate is interesting and shows the effect of increased holdings after the dividend rate has passed a certain point. The following is a table for each period of the Baltimore and Ohio Railroad Company:

	Div. Rate on par	1900	1901	1902	1906
1900	2	2			
1901	4	4	4		
1902	4	3.767	3.8	4	
1903	4	3.347	3.44	3.7	
1904	4	3.347	3.44	3.7	
1905	..........4.5	4.257	4.22	4.35	
1906	..........5.5	6.077	5.78	5.65	5.5
1907	6	7.26	6.794	6.495	6.15
1908	6	7.26	6.794	6.495	6.15
		41.315	38.268	34.390	17.80
	Average rate	4.591	4.784	4.913	5.933

In the above table the money invested in the privileged subscriptions is supposed to be worth five per cent. This amount comes out of the annual cash dividend and the balance goes to the original 100 shares. For the purposes of illustration, take the column headed 1900.

In 1900, the dividend rate was two per cent, and as the increased stock did not bear dividends until the following year, the net rate was two per cent. This has been indicated opposite the date 1900. The amount invested was $1,333.00 ($16^2/_3$ shares at $80.00 per share), so there must always be allowed $66.65 (five per cent on $1,333.00) interest on the subscription out of the cash dividend. The rate on the entire issue was raised in 1901 to four per cent,

or \$466.65 on the $116^2/_3$ shares owned. Subtracting \$66.65, interest on the new money invested from \$466.65 cash dividend, leaves \$400.00 net yield, or exactly four per cent on the par of the original purchase of 100 shares. In 1902, the rate is still four per cent, but $23^1/_3$ (20 per cent on $116^2/_3$ shares) shares more have been purchased at par, reducing the net yield to 3.767 per cent. This figure is obtained as follows:

16⅔ shares at \$80.00 per share	\$1,333.00
23⅓ shares at \$100.00 per share	2,333.00
Total investment	\$3,666.00
Interest at five per cent	183.30

The total cash dividend on 140 shares at four per cent equals \$560.00. Net result (\$560.00—\$183.30) is 3.767 per cent on par of original 100 shares. In 1902 there were bought forty-two more shares (30 per cent on 140 shares), at a cost of \$4,200.00, bringing the total investment up to \$7,866.00 (\$4,200.00 plus \$3,666.00). Interest at five per cent on that sum in 1903 equals \$393.30. Subtracting from \$728.00, the total dividend at four per cent on 182 shares, leaves 3.347 per cent as the net yield. When in 1905, the rate was raised to four and five-tenths per cent, the net yield was increased by more than merely one-half per cent, as shown by the following calculations:

4.5 per cent on 182 shares (amount held at present)	\$819.00
Interest on subscription at 5 per cent	393.30
Net yield	\$425.70

which is 4.257 per cent on par.

In 1906 the rate was again raised, this time to five and five-tenths per cent. The net yield now rose to over six per cent.

5.5 per cent on 182 shares	\$1,001.00
Interest on subscriptions at 5 per cent	393.30
Net yield	\$607.70

or 6.077 per cent on par.

By 1907, 27.3 more shares at par (fifteen per cent on 182 shares) are procured and \$2,730.00 more cash is invested. This \$2,730.00 plus the \$7,866.00 invested in previous subscriptions brings the

total money invested, in addition to the original purchase of 100 shares, to $10,596. Interest on this sum at five per cent is $529.80; whereas the dividend rate is six per cent on 209.3 shares (182 shares plus 27.3 shares increase), or $1,255.80. The difference between the total cash dividend return of $1,255.80 and $529.80 (the interest allowed for the subscriptions) amounts to $726 or 7.26 per cent on par. Adding all the dividends and dividing by nine, the number of years since the purchase of the original 100 shares, we have 4.591 per cent, or the average cash rate. If the stock had been bought in December, 1901, instead of April, 1900, the net cash dividend yield would have been 4.784 per cent; if bought in October, 1902, it would have been 4.913 per cent; and if bought in April, 1906, it would have been 5.933 per cent. The same method is used for all the other companies.

In the tables adjoining this article are given brief summaries of many of the largest corporations in the United States, which have made a practice of issuing rights to their stockholders. How profitable these properties have proved, a glance at the final column headed "Net Yield on Cost Per cent" of each table will show. The results for the different years vary somewhat, and it would be hard to arrive at any definite conclusion. The results differ with each particular corporation.

The following table shows the net result computed according to the plans shown in the foregoing tables, for each company, if the stock had been bought when the first rights noted in the table were issued:

Company	Date of purchase	Net Yield on cost
American Telephone and Telegraph Company	1901	6.818
Atlantic Coast Line Railroad Company	1902	7.622
Baltimore and Ohio Railroad Company	1900	10.031
Canadian Pacific Railway Company	1901	25.03
Chicago, Burlington and Quincy Railroad Company	1880	8.14
Chicago, Milwaukee and St. Paul Railway Company	1882	7.326
Chicago, Rock Island and Pacific Railway Company	1880	6.924
Cleveland, Cincinnati, Chicago and St. Louis Railway Company	1905	loss 3.446

Company	Date of purchase	Net Yield on cost
Great Northern Railway Company	1893	33.113
Illinois Central Railroad Company	1887	7.809
Missouri Pacific Railway Company	1886	.373
New York Central Railroad Company	1893	7.526
Pennsylvania Railroad Company	1887	6.194
Northern Central Railroad Company	1900	10.691
United Gas Improvement Company	1896	19.665

Many other companies have followed the plan of giving large cash dividends in preference to the idea of distribution through increased stock capitalization. Among such corporations we have notable examples in the Union Pacific Railroad Company, Westinghouse Air Brake Company, Standard Oil Company, and the Delaware, Lackawanna and Western Railroad Company. As to which method is the better, the managers of the various companies have their own opinions, but they amount to practically the same thing. What the policy will be in the future is a matter of conjecture, but it can safely be said that this method of raising additional money, namely, through increasing the capital stock, is finding more and more favor among the railroad directors, although the days when the shares were issued as extra dividends are probably past. A few of the former munificent distributions are shown below.

Railroad	Date	Amount	Price
Atlantic Coast Line Company of Connecticut	1901	100	free
Atlantic Coast Line Company of Connecticut	1901	100 (4% certificates)	free
Atlantic Coast Line R. R. Co.	1904	25 (20% stock and 5% in 4% ctf.)	free
Chicago, Rock Island and Pacific R. R.	1880	100	free
Delaware, Lackawanna and Western R. R. Co.	1863	10	free
Delaware, Lackawanna and Western R. R. Co.	1864	70	free
Delaware, Lackawanna and Western R. R. Co.	1866	10	free
Great Northern Ry. Co.	1898	100	$60.00
Great Northern Ry. Co.	1906	100 (ore certificates)	free

Railroad	Date	Amount	Price
Louisville and Nashville R. R. Co.	1880	100	free
New York Central and Hudson River R. R. Co.	1868	80	free
New York Central and Hudson River R. R. Co.	1869	27	free

The following tables are for some of the leading corporations of the United States, which have made a practice of issuing rights to their stockholders and are all computed in the same manner as illustrated in the case of the Baltimore and Ohio Railroad Company. It is expressly assumed that in all annuity and dividend calculations, money is worth five per cent. For example of this, see pages 87 to 96.

AMERICAN TELEPHONE AND TELEGRAPH CO. PAR $100. PRICE, NOVEMBER, 1909—$144.

Date.	Quantity.	1901.	1902.	1903.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
June, 1901.....	33⅓ Par.......	133.33	166.66	200.00	$170½	$27,025	$28,800	$1,775	1.858	9.75	11.608	6.818
May, 1902.....	25 Par.....	....	125.00	150.00	180	23,000	21,600	—1,400	—1.720	8.803	7.083	3.935
June, 1903.....	20 Par.....	....	....	120.00	144	16,400	17,280	880	1.294	8.217	9.511	6.605

ATLANTIC COAST LINE R. R. CO. PAR $100. PRICE, NOVEMBER, 1909—$137½

Date.	Quantity.	1902.	1904.	1906.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
Nov., 1902...	40 @ 125....	140	168 Com.. $700=4%.	184.8 Com. $700=4%....	$148	$21,480	$25,984	$4,504	5.532	5.756	11.288	7.622
Dec., 1904....	20 free..... 5=4%ctf..	....	120 Com.. $500=4%..	132 Com.... $500=4%....	155	16,700	18 615	1,915	3.466	6.41	9.876	6.372
Feb., 1906....	10 Par.......	....	....	110	164	17,400	15,125	—2,275	—7.217	5.608	—1.609	—.981

CANADIAN PACIFIC RY. CO. PAR $100. PRICE, NOVEMBER, 1909—$177

Date.	Quantity.	1902.	1904.	1906.	1908.	1909.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
Feb., 1902	30@ Par......	130	156	187.2	224.64	269.57	$116	$29,680	$47,788	$18,108	22.24	6.794	29.034	25.03
Oct., 1904	20@ Par.......	....	120	144	172.8	207.36	131	24,700	36,703	12,003	21.72	6.832	28.552	21.796
Mar., 1906......	20@ Par......	....	....	120	144	172.8	127½	20,750	30,520	9,770	30.99	6.933	37.923	29.744
Jan., 1908	20@ Par......	....	....	......	120	144	158	20,800	25,488	4,688	......	......	......	......
Oct., 1909	20@ 125......	....	....	......	....	....	.....	....	....	....	.....	.....	......	......

CHICAGO, BURLINGTON & QUINCY R. R. CO. PAR $100. PRICE, NOVEMBER, 1909—$250.

Date.	Quantity.	1880.	1882.	1884.	1893.	1899.	1901.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
1880..	20 free....	120	132	145.2	167.54	$1396 / 181.50	$1396 / 190.65	$149½	$23,962	$51,169	$27,207	4.336	7.833	12.169	8.14
May, 1882.	10 Par....	.....	110	121	139.61	1164 / 151.25	1164 / 166.38	136	21,111	42,643	21,532	3.938	6.491	10.429	7.669
Apr., 1884	10 Par....	.....	.....	110	126.92	1058 / 137.5	1058 / 151.25	125½	18,469	38,765	20,296	4.253	6.237	10.490	8.358
Jan., 1893.	$\frac{2}{13}$ Par.....	.....	.....	....	115.38	962 / 125	962 / 137.5	99½	14,422	35,241	20,819	8.801	6.125	14.926	14.963
Aug., 1899	Par*.....	.....	.....	....	....	850 / 108.5	850 / 119.35	144	16,972	30,603	13,631	10.837	6.852	17.689	12.284
Jan., 1901	10 Par....	.....	.....	....	....	....	110	148½	15,850	27,500	11,650	12.2	6.913	19.113	12.871

* $\frac{1}{12}$–3½ bonds @ 75. $\frac{1}{12}$ in stock @ par.

CHICAGO, MILWAUKEE AND ST. PAUL RY. CO. PAR $100. PRICE, NOV., 1909—COM. $155, PFD. $175

Date.	Quantity.	1882.	1887.	1901.	1906.	1906.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain on present holdings.	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
Sept., 1882.....	20@ 50.......	120	150	165	202.95	253.69 Pfd. 101.48	$127½	$36,817	$57,082	$20,265	3.707	5.633	9.340	7.326
1887......	25@ 85.......	....	125	137.5	169.13	211.41 84.57	95	28,723	47,568	18,845	4.895	4.904	9.799	10.310
Mar., 1901......	10@ Par......	....	....	110	135.3	169.13 67.65	154¾	28,153	38,054	9,901	10.368	7.685	18.053	11.666
Aug., 1906.....	23@ Par......	....	....	......	123	153.75 62.5	193	30,925	34,769	3,844	12.194	8.55	20.744	10.748
Dec., 1906.....	25@ Par..... 50 pfd. Par...	....	....	....	....	125 50	194	26,900	28,125	1,225	3.886	8	11.886	6.127

CHICAGO, ROCK ISLAND & PACIFIC RY. CO. PAR $100. PRICE, NOV., 1909—COM. $40. PFD. $80. BONDS $77.

Date.	Quantity.	1880.	1887.	1898.	1901.	1902.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
1880..	100 free.......	200	220	242	290.4	290.4 com. $29040 bonds 203.28 pfd.	$204	$27,240	$50,240	$23,000	3.691	10.434	14.125	6.924
Sept., 1887..	10 Par........	....	110	121	145.2	145.2 com. $14520 bonds 101.64 pfd.	129	15,320	25,119	9,799	2.545	4.685	7.23	5.605
June 1898..	10 free........	....	....	110	132	132 com. $13200 bonds 92.4 pfd.	108⅜	13,037	22,836	9,899	6.969	5.578	12.547	11.577
Aug., 1901..	20 Par.........	....	....	....	120	120 com. $12000 bonds 84 pfd.	175¼	19,525	20,760	1,235	1.46	5.21	6.67	3.806
1902..	Conversion	....	....	....	.....	100 com. $10000 bonds 70 pfd.	......	....	....	....	....	....	....	......

CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS RY. CO. PAR $100. PRICE, NOVEMBER, 1909—$78.

Date.	Quantity.	1905.	1906.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market loss (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent. "Loss."	Net loss on cost, per cent.
June. 1905	10@ Par...	110	132	$100½	$13,030	$10,296	$2734	6.343	2.88	3.463	3.446
Dec., 1906........	20@ 90....	...	120	92	11,000	9,360	1640	5.202	2.733	2.469	2.684

GREAT NORTHERN RY. CO. PAR $100. PRICE, NOVEMBER, 1909—$142

Date.	Quantity.	1893.	1898.	1899.	1900.	1901.	1905.	1906.	1907	In addition to last.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
June, 1893.....	25 Par...	125	250	300	330	412.5	495	495	693	Ore 495	$135	$66,150	$139,491	$73,341	31.004	13.698	44.702	33.113
July, 1898......	100@ 60.	....	200	240	264	330	396	396	554.4	396	180	58,120	111,593	53,473	37.639	14.803	52.442	29.134
May, 1899......	20 Par...	....	....	120	132	165	198	198	277.2	198	189½	36,010	55,796	19,786	15.73	9.415	25.145	13.269
Jan., 1900......	10 Par...	....	....	....	110	137.5	165	165	231	165	166½	29,200	46,497	17,297	15.662	8.963	24.625	14.79
Apr., 1901......	25@80..	....	....	....	....	125	150	150	210	150	203½	30,850	42,270	11,420	11.96	8.825	20.785	10.214
Sept., 1905.....	20@ Par.	....	....	....	....	......	120	120	168	120	314	38,200	33,816	—4,384	—10.17	8.77	—1.40	—.446
Dec., 1906	100 Ore..	....	....	....	....	......	....	100	140	100	318	35,800	28,180	—7,620	—24.175	8.633	—15.542	—4.887
Jan., 1907......	40@ Par.	....	....	....	....	......	....	....	140	....	.....	....	....	....	....	......	....	......

ILLINOIS CENTRAL R. R. CO. PAR $100. PRICE, NOVEMBER, 1909—$150

Date.	Quantity.	1887.	1890.	1892.	1899.	1901.	1901.	1902.	1908.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
June, 1887......	33⅓ Par.....	133⅓	150	166⅔	200	220	264	316.8	363.32	$138	$40,132	$54,498	$14,366	3.731	7.045	10.776	7.809
Sept., 1890......	12½ Par.....	.....	112½	125	150	165	198	237.6	273.24	109	28,224	40,986	12,762	4.179	7.000	11.179	10.256
Sept., 1892......	11⅑ Par.....	.....	.....	111⅑	133⅓	146⅔	176	211.2	242.88	96	23,838	36,432	12,594	4.874	6.464	11.338	11.810
Nov., 1895...... July, 1899......	5 Par.... 15 Par....	.....	.....	.....	120	132	158.4	190.08	218.59	100	21,859	32 789	10,930	5.577	7.239	12.816	12.816
Jan., 1901......	10 Par.....	.....	.....	.....	.....	110	132	158.4	182.16	130	21,216	27,324	6 108	6.396	7.27	13.666	10.512
Nov., 1901......	20 Par.....	.....	.....	.....	.....	.....	120	144	165.6	147	21,260	24,840	3,580	3.757	7.27	11.027	7.501
Aug., 1902......	20 Par.....	.....	.....	.....	.....	.....	.....	120	138	168	20,600	20,700	100	.105	6.857	6.962	4.144
May, 1908......	15 Par.....	.....	.....	.....	.....	.....	.....	.....	115	135	....	....	....	.....	.....	....	......

MISSOURI PACIFIC RY. CO. PAR $100. PRICE, NOVEMBER, 1909—COM. $71. BONDS $102.

Date.	Quantity.	1886.	1886.	1886.	1887.	1890.	1901.	1908.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market loss (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
Feb., 1886...	10 Par.....	110	119.9	131.89	145.08	$2176.2bd 147.26	$2176.2 169.35	$2176.2 173.58	$111	$19,884	$14,544	$5,340	1.289	1.703	.414	.373
June, 1886....	9 Par.....	....	109	119.9	131.89	1978.35 133.87	1978.35 153.95	1978.35 157.80	112	18,276	13,122	5,154	1.244	1.991	.747	.667
Oct., 1886....	10 Par.....	....	......	110	121	$1815 122.82	$1815 141.24	$1815 144.77	115	17,166	12,130	5,036	1.216	2.247	1.031	.896
May, 1887....	10 Par.....	....	......	....	110	$1650 111.65	$1650 128.4	$1650 131.61	109	15,143	11,027	4,116	1.069	2.3	1.231	1.129
May, 1890....	15*.......	....	......	....	....	$1500 101.5	$1500 116.73	$1500 119.65	79	10,848	10,025	823	.269	2.103	1.834	2.322
June, 1901...	15 Par.....	....	......	....	....	....	115	117.88	119	13,400	8,370	5,030	5.268	3.97	—1.298 (Loss)	1.091 (loss)
Jan., 1908....	2½ free.....	....	......	....	....	....	....	....	....	....	....	....	.....	.....	....	.....

*15 per cent in collateral trust bonds due 1920. Price $950 for $1000 bonds plus one share of common stock.

NEW YORK CENTRAL & HUDSON RIVER R. R. CO. PAR $100. PRICE, NOVEMBER, 1909—$135.

Date.	Quantity.	1893.	1899.	1902.	1905.	1906.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
June, 1893....	10 Par..........	110	126.5	145.48	164.39	197.27	$100	$20,202	$26,480	$6,278	2.653	4.827	7.480	7.480
Dec., 2, 1899 / Jan., 1901	15 Par..........	....	115	132.25	149.44	179.33	138	22,151	24,030	1,879	1.494	5.123	6.617	4.795
Mar., 1902....	15@ 125........	....	......	115	129.95	155.94	160	21,969	21,060	— 909	—1.117	5.278	4.161	2.601
Dec., 1905....	13 Par..........	....	......	....	113	135.6	157	19,260	18,306	— 954	—2.214	5.424	3.210	2.045
Nov., 1906....	20 Par..........	....	......	....	....	120	131	15,100	16,200	1,100	3.49	5.50	8.99	6.863

NORTHERN CENTRAL RY. CO. PAR $50. PRICE, NOVEMBER, 1909—$108.

Date.	Quantity.	1900.	1904.	1907.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
Apr., 1900......	50@ 62.50...	150	200	225	$87	$14,325	$24,300	$9,975	9.046	9.556	18.602	10.691
June, 1904......	33⅓ Par.....	....	133⅓	150	110	12,666	16,200	3,534	6.395	9.067	15.462	7.028
Jan., 1907......	12⅓ Free.....	....	.....	....	....	....	....	....	.....	.....	......	.....

PENNSYLVANIA R. R. CO. PAR $50. PRICE, NOVEMBER, 1909—$66.

Date.	Quantity.	1887.	1890.	1893.	1899.	1901.	1902.	1903.	1904.	1905.	1909.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
June, 1887.	8 Par..	108	116.64	118.97	130.87	174.49	{$2181 174.49	{$2181 232.65	263.81	307.81	384.76	$58	$22,661	$25,394	$2,733	1.41	5.775	7.185	6.194
May, 1890..	8 Par..	....	108.00	110.16	121.18	161.57	{$2020 161.57	{$2020 215.43	244.29	285.01	356.26	56	20,848	23,513	2,665	1.74	5.797	7.537	6.729
1893.	2 free...	....	....	102.00	112.2	149.6	{$1870 149.6	{$1870 199.47	226.18	263.89	329.86	51	18,842	21,771	2,929	2.474	5.754	8.228	8.067
Dec., 1899.	10 Par...	....	....	......	110.00	146.67	{$1834 146.67	{$1834 195.56	221.76	258.72	323.4	65	19,973	21,344	1,371	2.182	5.998	8.180	6.292
Mar.. 1901.	33⅓@60..	....	....	......	....	133.33	{$1667 133.33	{$1667 177.77	201.58	235.18	293.98	80	19,793	19,403	—390	—.816	6.008	5.192	3.245
Mar., 1902.	25@70*..	....	....	......	....	....	{$1250 100	{$1250 133.33	151.19	176.38	220.48	75½	14,889	14,546	—343	—.844	6.007	5.163	3.419
Mar, 1903.	33⅓@60.	....	....	......	....	....	......	133.33	....	155.56	194.45	67½	12,362	12,834	472	1.388	6.389	7.777	5.761
May, 1904..	Conv....	....	....	......	....	....	......	....	....	....	....	....	....	....	....	....	....	....	.....
1905..	25@75*.	....	....	......	....	....	......	....	....	116.67	145.84	71	9,809	9,625	—184	—.854	6.25	5.396	3.800
Oct., 1909.	25 Par..	....	....	......	....	....	....	....	....	....	125	70	8,250	8,250	....	....	....	....	.....

*Convertible 3½'s.

UNITED GAS IMPROVEMENT CO. PAR $50. PRICE, NOVEMBER, 1909—$90.

Date.	Quantity.	1896.	1898.	1900.	1902.	1903.	1906.	1909.	Price (original purchase).	Cost (of present holdings).	Value (of present holdings).	Market gain (on present holdings).	Annuity on par, per cent.	Dividend on par, per cent.	Total on par, per cent.	Net yield on cost, per cent.
Jan., 1896.....	15 free........	115	151.8	227.7	284.63	370.02	462.52	508.77	$85	$28,189	$45,789	$17,600	19.872	13.559	33.431	19.665
Mar. 1898......	32 Par........	....	132	198	247.5	321.75	402.19	442.41	114	28,521	39,817	11,296	15.902	12.574	28.476	12.489
1900......	50 Par........	....	......	150	187.5	243.75	304.69	335.16	156	27,358	30,164	2,806	5.09	11.427	16.517	5.294
Jan., 1902......	25 Par........	....	......	......	125	162.5	203.13	223.44	121	18,822	20,110	1,288	3.164	9.795	12.959	5.355
May, 1903......	30 Par........	....	......	......	....	130	162.5	178.75	108	14,738	16,088	1,350	3.968	8.975	12.943	5.993
May, 1906......	25 Par........	....	......	......	....	......	125	137.5	91	10,975	12,375	1,400	8.884	8.50	17.384	9.552
May, 1909.	10 Par........	....	......	......	....	....	....	110	90	9,500	9,900	400	8	......	......	......